LEGISLATIVE ASSEMBLY.

NINTH DAY.

Friday, 2nd November 1951.

The Legislative Assembly met in the Assembly Hall, Old Public Offices, Bangalore, at Nine Minutes past One of the Clock.

Mr. Speaker (The Hon'ble Sri V. Venkatappa) in the Chair.

QUESTIONS AND ANSWERS.

Mr. SPEAKER (The Hon'ble Sri V. Venkatappa).—The Hon'ble Chief Minister has written to me to say that he will not be in station and that the Hon'ble Minister for Finance will act as the Leader of the House.

The Hon'ble Sri H. C. DASAPPA (Minister for Finance and Industries).—For the moment there is a prospect of his coming, if at all. We will see about that. He has reached this place and his programme to visit Delhi is under consideration.

Mr. SPEAKER.—Questions.

Income from Sales Tax at single point.

Q.—170. **Sri C. R. BASAPPA** (Tumkur District—General).—

Will the Government be pleased to state:—

(*a*) the probable income, if the sales-tax is levied at a single point;

(*b*) whether they are going to give up the policy of levying sales-tax at multiple points?

A.—**The Hon'ble Sri H. C. DASAPPA** (Minister for Finance and Industries).—(*a*) It is not possible to give information as the question does not specify the rate of tax, the stage at which the single point levy has to be made and the particular kind of goods on which single point levy is proposed.

(*b*) The question as to whether any change is necessary in the present system of multiple point levy of Sales Tax is under examination by a Committee.

A copy of the Government Order constituting the Committee is appended below:—

PROCEEDINGS OF THE GOVERNMENT OF MYSORE.

Order No. Fl. 568-75-—*S.T.* 9-51-2, *dated Bangalore, the* 10*th May* 1951.

In response to the representations received from a few Associations of Merchants and the resolutions tabled at the last Legislative Assembly, the following committee is constituted to examine the undermentioned items connected with the levy of Sales Tax in the State and offer its suggestions in the matter:—

Personnel of the Committee.

Hon'ble Minister for Finance and Industries (Chairman).

Members.

1. Commissioner of Sales Tax in Mysore.
2. Secretary to Government, Law Department.
3. Secretary to Government, Finance Department.
4. Sri V. S. Narayana Rao, Bangalore.
5. Sri D. M. Siddaiya, M.L.A. Mysore District.
6. Sri Narayana Gowda, M.L.A., Kolar District.,
   A representative of the Chamber of Commerce, Bangalore.
   Sri G. Narasimha, Sales Tax Officer, Shimoga Circle (Secretary).

Terms of reference.

(1) To examine and suggest whether it is necessary to effect any change in the present system of multiple point levy of Sales Tax.
(2) To review the list of exemptions from Sales Tax and suggest the continuance or otherwise of them.

(THE HON'BLE SRI H. C. DASAPPA).

(3) To consider the representation of the Charka, Silk Reelers and the dealers in fruits, vegetables, and mutton merchants for the exemption from the levy of Sales Tax.
(4) To consider the question of constituting an independent tribunal for hearing appeals against assessments made by Departmental authorities.
(5) To offer suggestions to improve the revenue from Sales Tax.
(6) To amend the Sales Tax Act so as to bring its provisions in conformity with Art. 286 of the Constitution.
(7) And to consider other allied matters pertaining to the system of levy of Sales Tax in Mysore.

M. SHAMANNA,
Secretary to Government,
Finance Department.

To
The Commissioner of Sales Tax in Mysore.
The Accountant-General, Mysore, Bangalore.
The Secretary to Government, Law Department.
The Secretary to Government, Finance Department.

Copy to (1) Sri V. S. Narayana Rao, Bangalore, (2) Sri D.M. Siddaiya, M.L.A, Mysore District, and (3) Sri S. Narayana Gowda, M.L.A., Kolar District.

Sri S.A. Sreenivasan, B. Com., of Messrs. M. A.T. Acharya and Co., Bangalore City, was nominated by the Mysore Chamber of Commerce as its representative on the Committee.

In Government Order No. Fl. 215-93-S.T. 9-51-5, dated 5th July 1951, Sri K Srinivasan, B.sc., Revenue Commissioner, was nominated by the Government as a member of the Committee.

ಶ್ರೀ ಸಿ. ಆರ್. ಬಸಪ್ಪನವರು.—ಸೇಲ್ಸ್ ಟ್ಯಾಕ್ಸ್ ಹಾಕುವ ವಿಚಾರದಲ್ಲಿ ಪ್ರಶ್ನೆಯನ್ನು ನ್ಪಷ್ಟವಾಗಿ ತಿಳಿಸಿಲ್ಲವೆಂದು ಉತ್ತರ ಕೊಟ್ಟಿದ್ದೀರಿ. ಈಗ ನೀವು ಸಿಂಗಲ್ ಪಾಯಿಂಟ್ ಸೂಕ್ತವೇ, ಮಲ್ಟಿಪಾಯಿಂಟ್ ಸೂಕ್ತವೇ ಎಂಬುದನ್ನು ಇನ್ನೂ ಪರಿಶೀಲನೆ ಮಾಡಿ ಲ್ಲವೇ?

ಮಾನ್ಯ ಶ್ರೀ ಎಚ್. ಸಿ. ದಾಸಪ್ಪನವರು.—ಹಿಂದೆ ಯಾವಾಗ ಈ ತೆರಿಗೆ ಹಾಕಬೇಕೆಂದು ಸರ್ಕಾರದವರು ಉದ್ದೇಶಪಟ್ಟರೋ ಆಗ ಅವರು ಬಹಳ ಕೂಲಂಕಷವಾಗಿ ಈ ವಿಚಾರವನ್ನು ವಿಮರ್ಶೆ ಮಾಡಿದ್ದಾರೆ. ಮದ್ರಾಸಿನಲ್ಲಿರುವ ಮಲ್ಟಿಪಾಯಿಂಟ್ ಪದ್ಧತಿಯನ್ನೂ ಬೊಂಬಾಯಿನಲ್ಲಿರುವ ಸಿಂಗಲ್ ಪಾಯಿಂಟ್ ಪದ್ಧತಿಯನ್ನೂ ತಿಳಿದುಕೊಂಡು ಬರುವುದಕ್ಕಾಗಿ ದೊಡ್ಡ ಆಫೀಸರುಗಳನ್ನು ಕಳುಹಿಸಿ, ಅವರು ಚೆನ್ನಾಗಿ ಪರಿಶೀಲಿಸಿ ಒಪ್ಪಿಸಿದ ವರದಿಯ ಮೇಲೆ ಡಿಪಾರ್ಟ್‌ಮೆಂಟ್ ನವರು ಶಿಫಾರಸು ಮಾಡಿದರು. ಸರ್ಕಾರದವರು ಅದನ್ನು ಅಂಗೀಕಾರ ಮಾಡಿ ಜಾರಿಗೆ ತಂದಿದ್ದಾರೆ.

ಶ್ರೀ ಸಿ. ಆರ್. ಬಸಪ್ಪನವರು.—ಸಿಂಗಲ್ ಪಾಯಿಂಟ್‌ನಲ್ಲಿ ತೆರಿಗೆ ಹಾಕುವುದು ಅನುಕೂಲವಲ್ಲವೆಂದು ಭಾವಿಸಿದಿಯೇ?

ಮಾನ್ಯ ಶ್ರೀ ಎಚ್. ಸಿ. ದಾಸಪ್ಪನವರು.—ನಮ್ಮ ಸಂಸ್ಥಾನದ ಸ್ಥಿತಿಗತಿಗಳಿಗೆ ಮಲ್ಟಿಪಾಯಿಂಟೇ ಅನುಕೂಲವೆಂದು ಸದ್ಯದವರೆಗಿರುವ ಅಭಿಪ್ರಾಯ.

ಶ್ರೀ ಸಿ. ಆರ್. ಬಸಪ್ಪನವರು.—ಒಂದು ಕಮಿಟಿಯನ್ನು ಈ ವಿಚಾರದಲ್ಲಿ ನೇಮಿಸಿದೆಯೆಂದು ಹೇಳಿದ್ದೀರಿ. ಆ ಕಮಿಟಿಯು ಯಾವಾಗ ಏಪರ್ಾಡು ಮಾಡಲ್ಪಟ್ಟಿತು?

ಮಾನ್ಯ ಶ್ರೀ ಎಚ್. ಸಿ. ದಾಸಪ್ಪನವರು.—1951 ಮೇ 10ರಲ್ಲಿ ಎಂದು ಅಲ್ಲೇ ತಿಳಿಸಿದೆ.

ಶ್ರೀ ಸಿ. ಆರ್ ಬಸಪ್ಪನವರು.—ಅವರು ಪೂರ್ತಿಯಾಗಿ ವರದಿಯನ್ನು ಸರ್ಕಾರದವರಿಗೆ ಒಪ್ಪಿಸಿದ್ದಾರೆಯೇ?

ಮಾನ್ಯ ಶ್ರೀ ಎಚ್. ಸಿ. ದಾಸಪ್ಪನವರು.—ಪೂರ್ತಿ ವರದಿಯನ್ನೊಪ್ಪಿಸಿಲ್ಲ.

ಶ್ರೀ ಸಿ. ಆರ್. ಬಸಪ್ಪನವರು.—ಅವರು ಯಾವ ವಿಚಾರದಲ್ಲಿ ತಮ್ಮ ಅಭಿಪ್ರಾಯವನ್ನು ಕೊಟ್ಟಿದ್ದಾರೆ? ಅವರ ಅಭಿಪ್ರಾಯಗಳೇನು?

ಮಾನ್ಯ ಶ್ರೀ ಎಚ್. ಸಿ. ದಾಸಪ್ಪನವರು.—ಕೆಲವು ಬಾಬುಗಳಲ್ಲಿ ಮಾತ್ರ ತಮ್ಮ ಸಲಹೆಗಳನ್ನು ಶಿಫಾರಸು ಮಾಡಿದ್ದಾರೆ. ಉದಾಹರಣೆಗೆ Terms of Reference ನಲ್ಲಿ ನಮೂದಿಸಿರುವ ಮೂರನೆಯ ವಿಷಯದ ಮೇಲೆ ಅವರು ಶಿಫಾರಸು ಕಳುಹಿಸಿ ಅದು ಜಾರಿಗೆ ಕೂಡ ಬಂದಿದೆ. ಕೆಲವು ವಿನಾಯಿತಿಗಳನ್ನೂ ಪರ್ಯಾಲೋಚನೆಗೆ ತೆಗೆದುಕೊಂಡಿದ್ದಾರೆ.

Sri G. VEERAPPA (Chitaldrug District—General).—Are the Government aware that in Bengal and Bombay the system of single point taxation is working very successfully?

The Hon'ble Sri H. C. DASAPPA.—I think I have answered this question quite a number of times on the floor of this House; they are having single point.

Sri G. VEERAPPA.—Have you fixed any time limit for the Committee to give its report?

The Hon'ble Sri H. C. DASAPPA.—We have asked them to expedite sending their report as early as possible.

Sri G. VEERAPPA.—Have they met so far?

The Hon'ble Sri H. C. DASAPPA.—A number of times.

Sri G. VEERAPPA.—Are the Government aware that on a similar occasion when a non-official resolution was tabled in the matter of adoption of single point, they assured that they would consider the matter?

The Hon'ble Sri H. C. DASAPPA.—That is just what we are doing; we are considering.

Sri G. VEERAPPA.—Can I take it that the attitude of the Government is not in favour of single point?

The Hon'ble Sri H. C. DASAPPA.—There is nothing for my Hon'ble friend to suspect that that is the opinion of the Government. They have got an open mind.

Sri G. VEERAPPA.—At least, are the Government aware that the merchant class in the State are pressing for the adoption of the single point levy and that the Government have not considered it so far?

The Hon'ble Sri H. C. DASAPPA.—Certain sections of the merchants have been urging for single point levy; not all.

Janab MOHAMED HANIEF (Bangalore—Muslim).—Is it not a fact that merchants are made to suffer by this levy?

The Hon'ble Sri H. C. DASAPPA.—No; no such special suffering is entailed because of this multi-point levy.

Janab MOHAMED HANIEF.—For instance, in the case of hides there is multi-point method of taxation; the big merchant here purchases it for two rupees; after taxation is paid it is taken to some tannery and then the price will be enhanced and then again another person takes it and in this way the price would be so much enhanced that the merchant would find it difficult and not worth his while to pursue with this business.

The Hon'ble Sri H. C. DASAPPA.—My Hon'ble friend knows that if instead of multi-point we have single point, the rate will have to be at least three times; the rate would not be the same as it is now. It is now three pies and it will have to go to nine pies or even one anna if it is single point.

Janab MOHAMED HANIEF.—That means to say, you will raise the rate?

The Hon'ble Sri H. C. DASAPPA.—That is actually so in other places where they have single point.

Janab MOHAMED HANIEF.—Is it not a fact that in this method of multi-point taxation, three pies or six pies whatever it is, the rate differs from Province to Province, and if these levies are added on together, it works as a great hardship on the businessmen?

The Hon'ble Sri H. C. DASAPPA.—Sir, it may be in some exceptional cases, I suppose where the article changes more than three or four hands, that it may work as a little more of a hardship than in the case of all others. But in many cases it must work as considerable relief, because if it is only single point, straightaway at the very instance he has got to pay a higher rate. In multi-point, supposing it changes only one hand, it means only three pies. Whereas, if it is single point, whether it passes through one hand or two hands or three hands, you will have to pay a higher rate.

Sri Kadidal MANJAPPA (Shimoga District—General).—Are the Government aware that merchants and consumers are prepared to pay even one or two annas if you introduce single point levy?

The Hon'ble Sri H. C. DASAPPA.—If my Hon'ble friend can assure me that he can induce the merchants to pay two annas for single point, I think at the time of next budget, if I am here, I will certainly consider the suggestion.

Sri Kadidal MANJAPPA.—I want to know what exactly is the difficulty of the Government in introducing single point?

The Hon'ble Sri H. C. DASAPPA.—It is not a question of difficulty; it is a question of which is more suitable to the particular conditions of the country. There may be half a dozen propositions which may be feasible, but only one of them may be more suitable.

Sri Kadidal MANJAPPA.—Do the Government feel that they would not get the expected income by single point?

The Hon'ble Sri H. C. DASAPPA.—In Mysore if we have single point, we may not realise as much as by multi-point. That is the opinion of the department which they have furnished to the Government.

Sri Kadidal MANJAPPA.—Are the Government aware that petty merchants charge three pies per rupee and the consumers are put to a great deal of difficulty on account of multi-point taxation?

The Hon'ble Sri H. C. DASAPPA.—Sir, the Act is not a respector of persons; it is not a respector of merchants whether it is a big merchant or a small merchant. Where there is a transaction of one rupee, he has to recover three pies, provided the total turn-over exceeds ten thousand rupees.

Sri Kadidal MANJAPPA.—I am worried about the difficulty to consumers and not to merchants.

Sri M. GOVINDA REDDY (Chitaldrug District—General).—Have the Government of India made any suggestion in this matter?

The Hon'ble Sri H. C. DASAPPA.—I am in close touch with the Government of India on this point. In fact, I suggested the holding of a conference of all the States to consider this matter because it would be desirable to have a uniform system of levy throughout India. The only thing that seems to have prevented Sir Chintamani Deshmukh from calling for a conference is that there is not enough time just now. He would consider it later.

Janab SYED ABDUR RAHMAN (Chikmagalur *cum* Shimoga–Muslim)—Sir, you were pleased to say that the Hon'ble Chief Minister would be coming. I want to know whether questions pertaining to him would be taken up when he comes?

Mr. SPEAKER.—Yes, when the Hon'ble Chief Minister comes, we will take them up.

Capital Investments on the Bhadravathi Iron Works and profit and loss from the Works.

Q.—299. **Sri B. HUTCHE GOWDA** (Tumkur District—General).—

Will the Government be pleased to state:—

(*a*) the total capital invested on the Bhadravathi Iron Works since it was started (the figures may be given yearwar);

(*b*) of this, the amount of capital written down and the capital on the Works at present;

(*c*) the amount set apart for Depreciation Fund from the time of the inception of the Works; the amount spent out of it for repairs of the machinery; and the amount available in the fund at present;

(*d*) the amount of profit or loss from the said Works from the time of its inception up to the year 1945; the net profit earned each year since 1946; its percentage on the capital invested?

A.—**The Hon'ble Sri H. C. DASAPPA** (Minister for Finance and Industries).—

(*a*) Statement 'A' appended below.

(*b*) A sum of Rs. 86·97 lakhs was written down out of the capital.

Capital investment as on 31st March 1951:—

Existing Works ...	...	Rs. 242·96 lakhs
Development Works ...	...	„ 197·68 „
Total ...		„ 440·64 „

(*c*) Total amount set apart for Depreciation Fund from the inception of the Works ... „ 261·55 „

Total amount spent out of Depreciation Fund for repairs and renewals ... ... „ 6·51 „

Balance available in the Fund as on 31st March 1951 ... ... „ 255·04 „